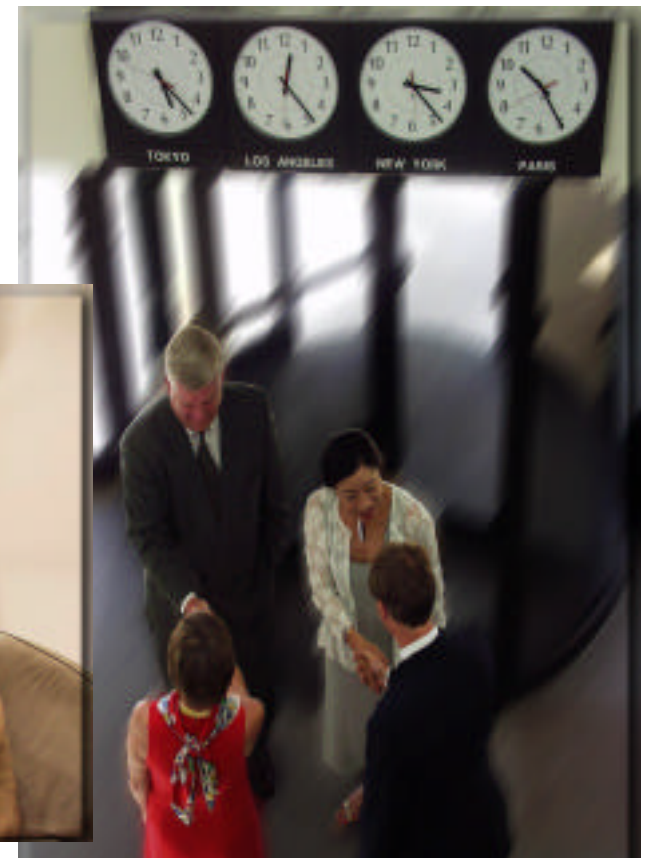


eMarketplace Participation Opportunities for Suppliers

Austin Whitehead

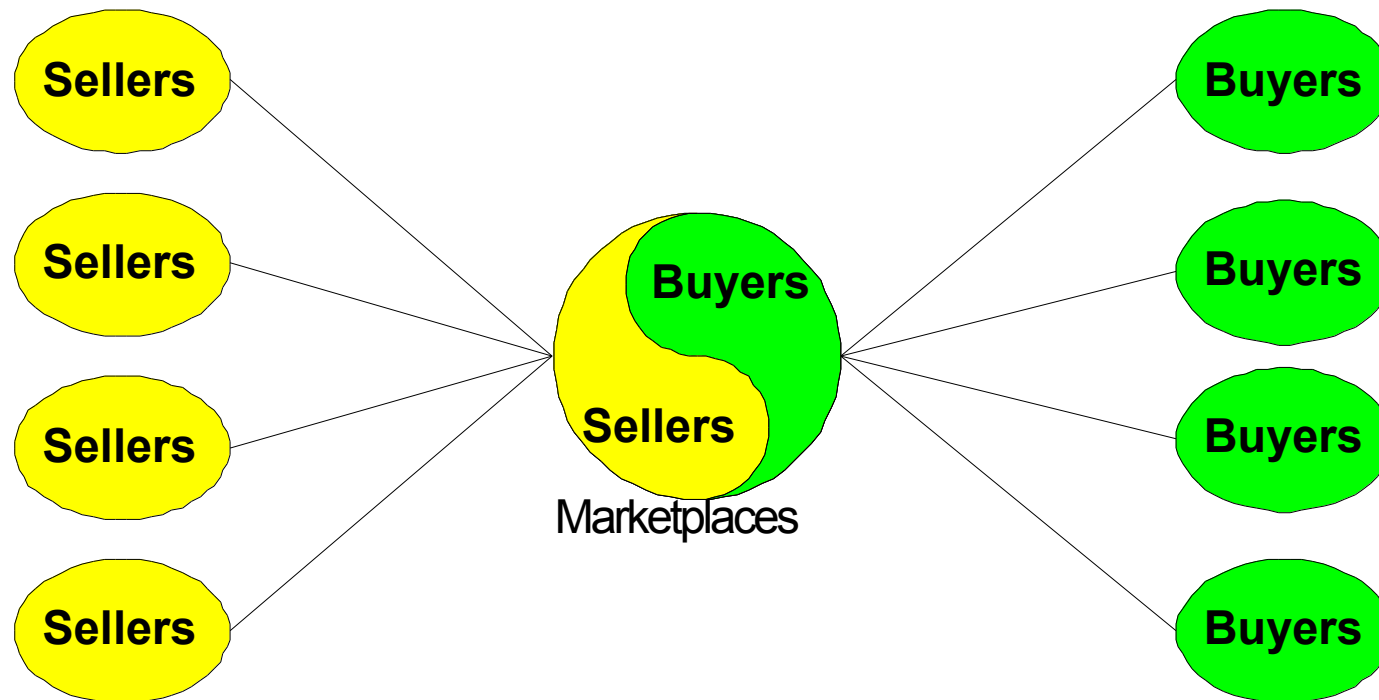


Conclusions

- It is inevitable that all businesses will be doing some business over the Internet; therefore, your company **MUST** have a Channel Strategy.
- In this dynamic eBusiness environment, companies are still struggling with their B2B long term strategies and short term tactical actions.
- If you haven't determined your strategy, you're not prohibitively behind yet.
- There is **NO** one-size fits all answer.

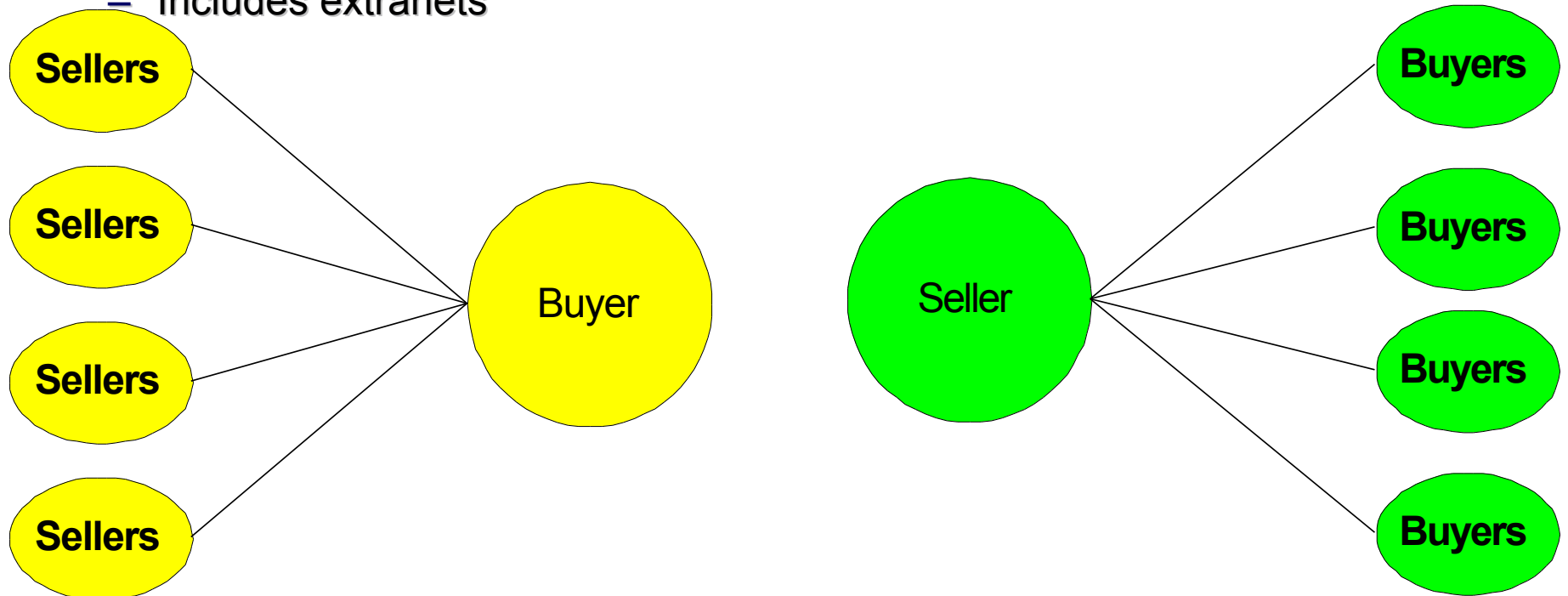
eMarketplace Definition

- Public eMarketplaces bring together multiple sellers and buyers that exist for the purpose of providing process and/or market efficiencies on behalf of a community (examples: Vertical Exchanges, Industry-Sponsored Exchanges).
- eMarketplaces provide a variety of content & services for participants for the purpose of generating revenue for the eMarket-Makers (examples: Buying Services, Auctions, Reverse Auctions).
- Typically address some industry “pain-point.”



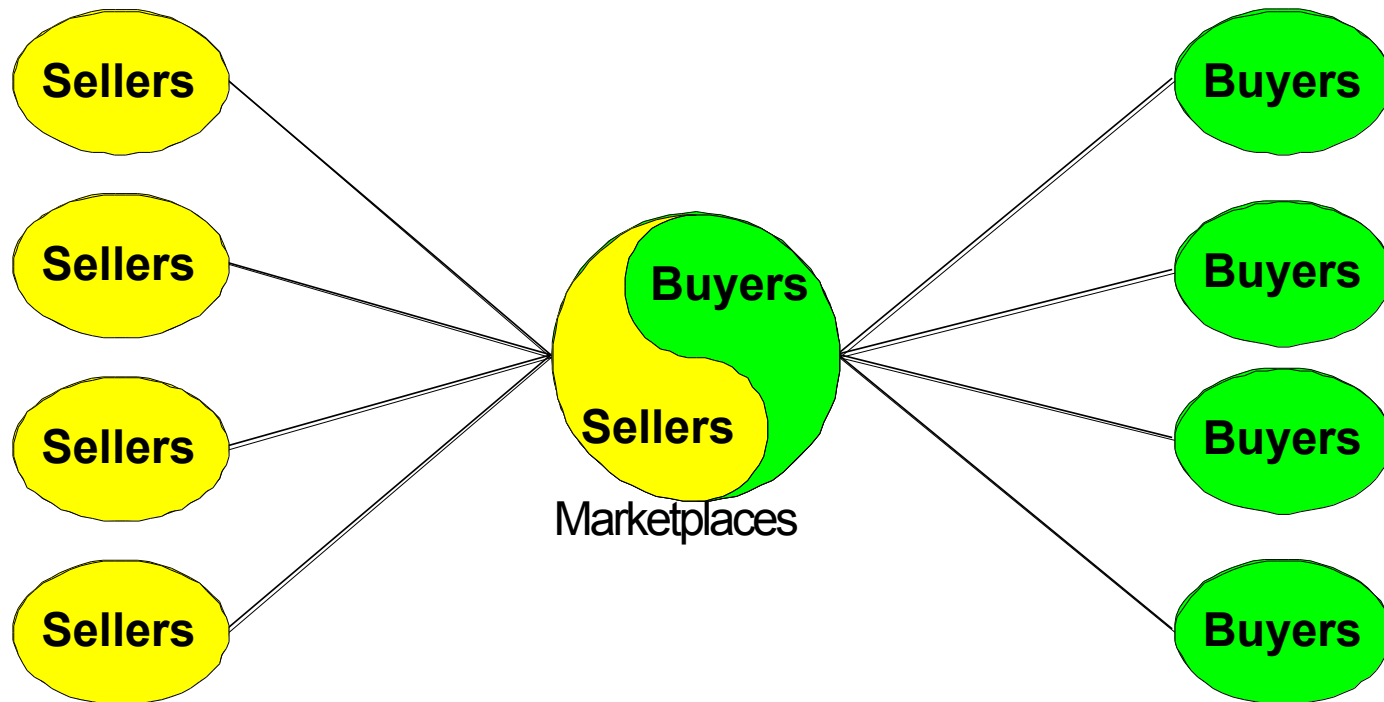
eMarketplace Types

- Private eMarketplaces are emerging.
- They are a 1-to-Many Relationship
 - One Buyer to many sellers (eProcurement)
 - One Seller to many Buyers (Custom Web Storefronts)
 - Includes extranets



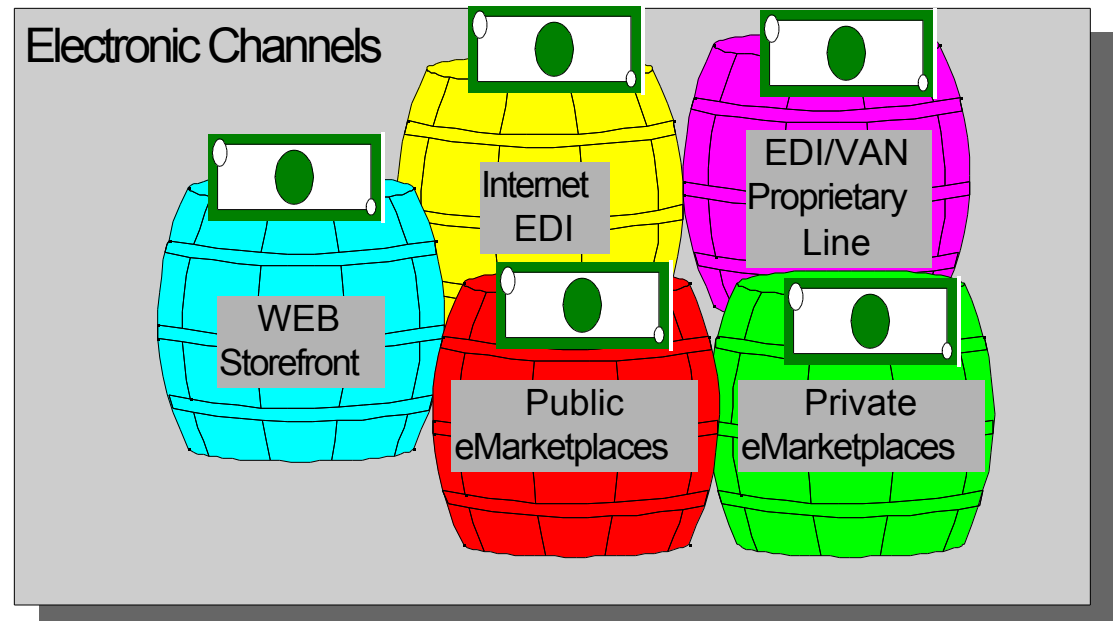
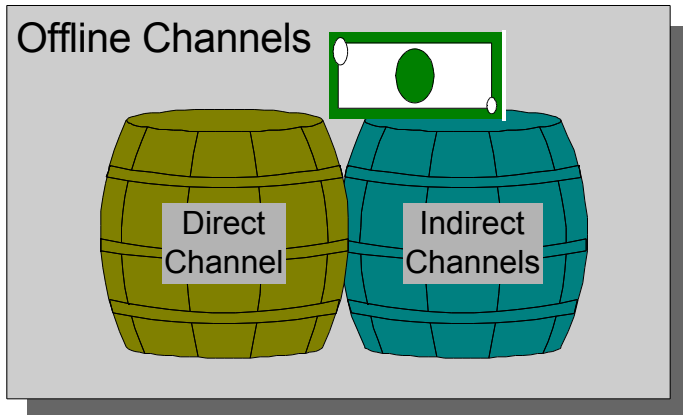
eMarketplace

- Start seeing Merging between Public & Private Marketplaces

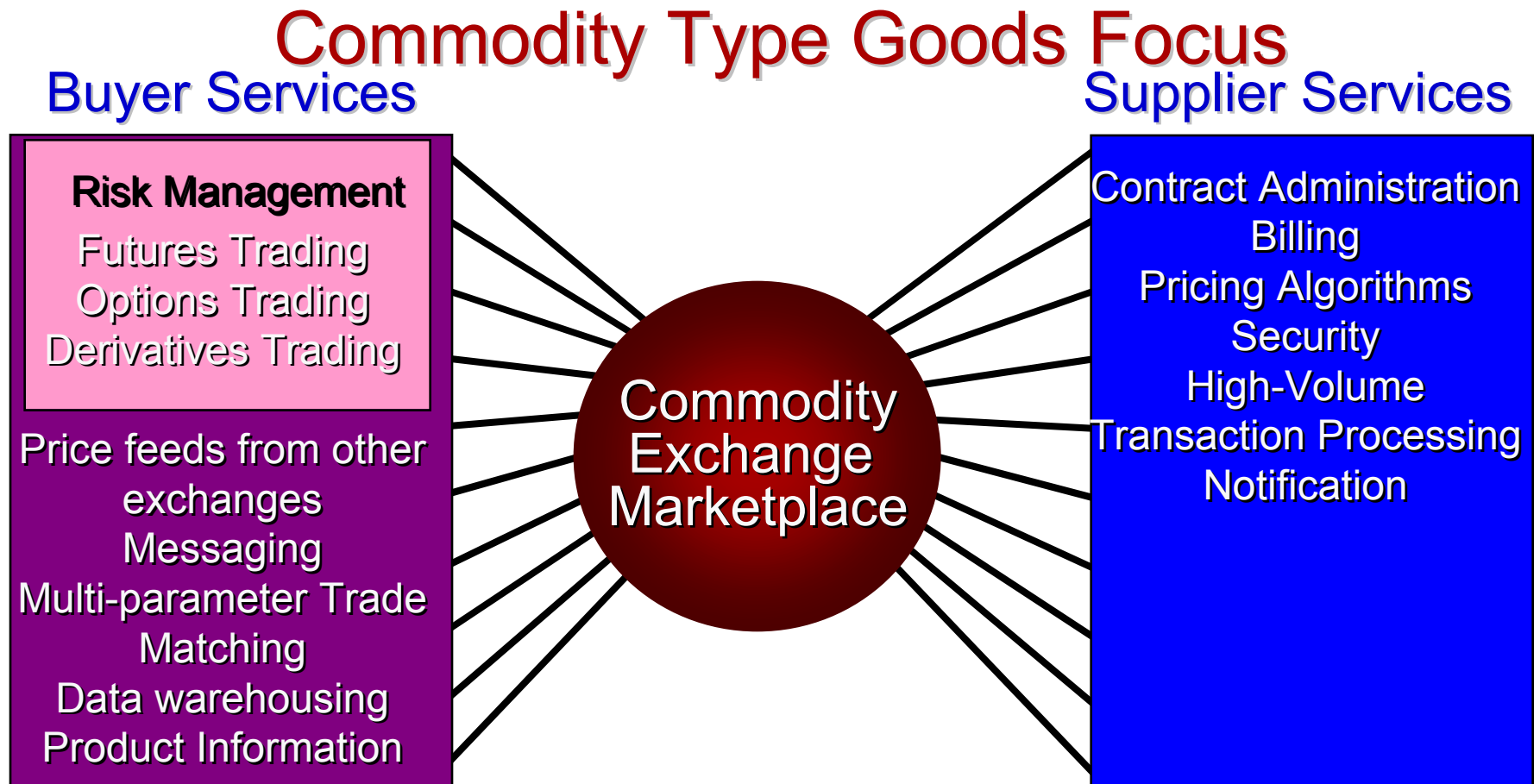


Distribution Channels

- Competing and Conflicting Channels for Distribution/Sales makes having a overall strategy MANDATORY!
- Knowing where to spend your Dollars depends on your Distribution Channel Strategy
- Your eBusiness Strategy is a MAJOR Component of your overall Distribution Channel Strategy!

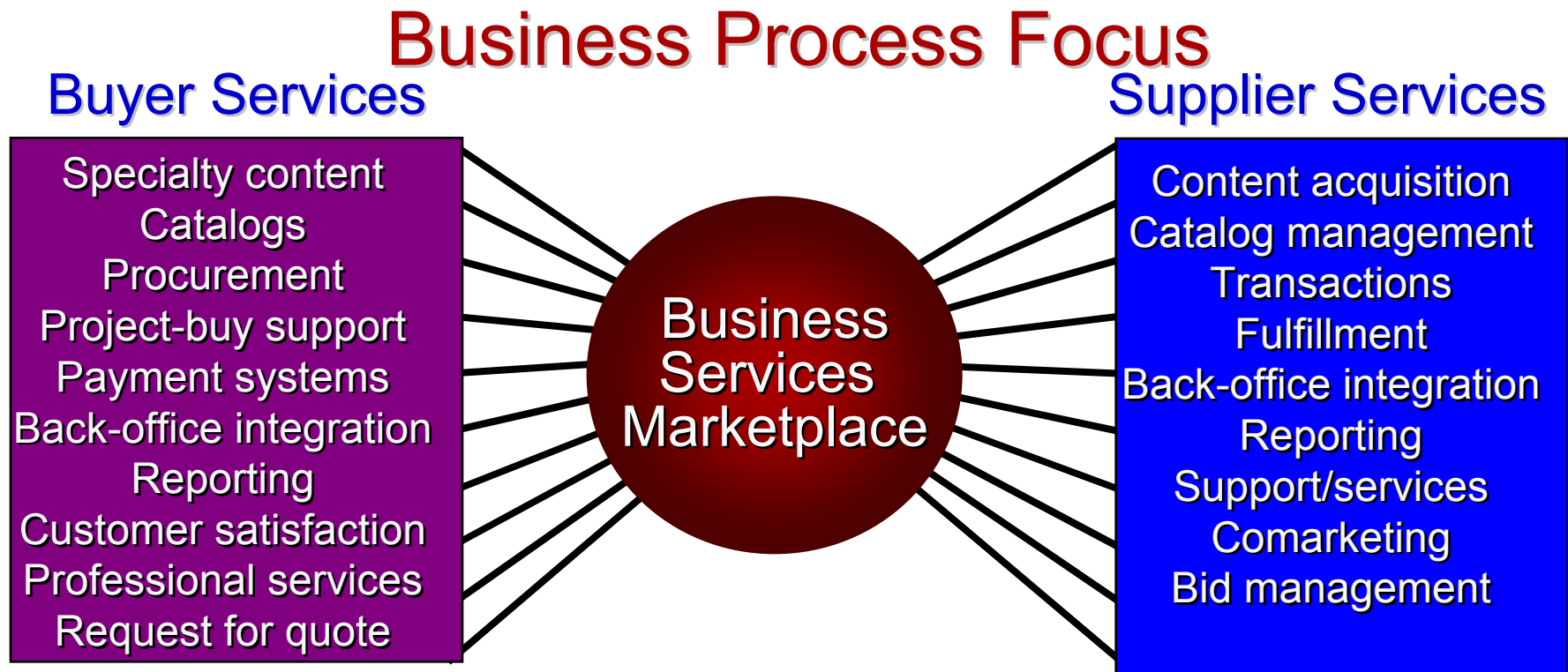


Commodity Exchange Marketplace



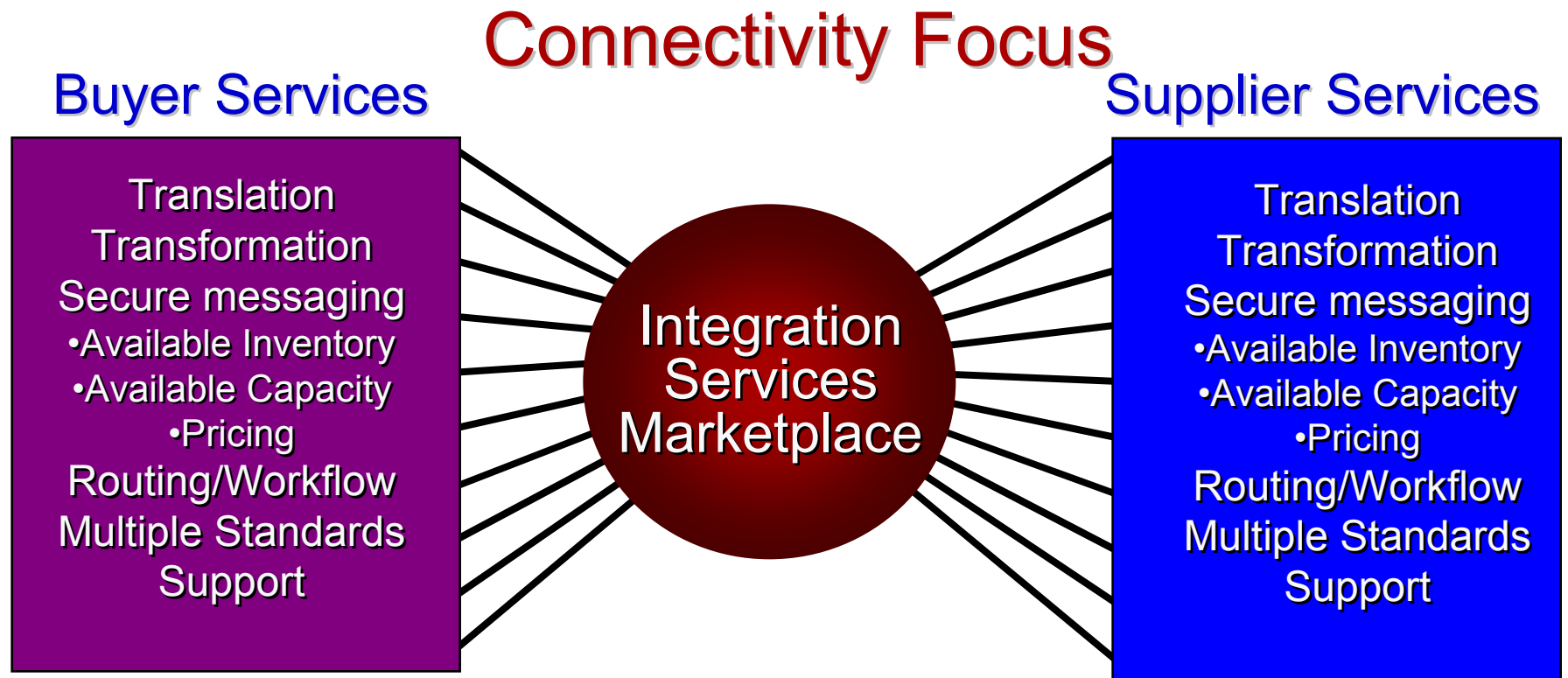
- Marketplace Supplier "Fear" Most
- Good For:
 - Excess Inventory/Capacity

Business Service Marketplace



- Most Prevalent Model
- Industry-led tend to fall in this category

Integration Services Marketplace



- Informational Pass-Through
- Transformation & translation: done in adapters hosted & maintained by integration hub

Examples of Marketplace Types



Altra Energy (exchange marketplace) is focused on developing spot markets for the trade of energy related commodities.



FreeMarkets (business service marketplace) offers consulting and managed auction services supporting new modes of buyer-supplier negotiation.



Enron (business service private & public marketplaces) provides commodity trading and services for the Power and Energy industries. Developing into a more cross-industry marketplace



Viacore (marketplace integration service) is developing services to facilitate interenterprise and intermarketplace connections based on exchange of standardized XML documents.

Recommendations

- Don't PANIC!
- Make SMART business decisions, not REACTIVE decisions
- eBusiness Strategies MUST be an integral part of the company's overall strategy.
- Define your “trigger” event for entering and have your Existing Strategy defined.
- Your B2B strategy cannot be owned by IT, it must be owned by Marketing (Business Strategy).
- Be prepared to renegotiate relationships with customers/suppliers